

EXHIBIT F



California Regional Water Quality Control Board

San Diego Region



Winston H. Hickox
Secretary for
Environmental
Protection

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Gray Davis
Governor

April 9, 2002

Interested Parties Mailing List

RE: ORDER NUMBER R9-2002-0083 AFFIRMING THE DIRECTIVE FOR TECHNICAL REPORTS FROM THE CITY OF SAN DIEGO, AMEC EARTH AND ENVIRONMENTAL, AND TRI-COUNTY DRILLING, INC. REGARDING THE DISCHARGE OF PETROLEUM HYDROCARBON WASTES FROM THE RUPTURED CHEVRON PRODUCTS COMPANY UNDERGROUND FUEL PIPELINE BENEATH BELT STREET, SAN DIEGO, CALIFORNIA

Enclosed is a copy of Order No. R9-2002-0083 affirming the directive for technical reports from the City of San Diego, AMEC Earth and Environmental, Inc., and Tri-County Drilling, Inc. regarding the discharge of petroleum hydrocarbon wastes from the ruptured Chevron Products Company underground fuel pipeline beneath Belt Street in San Diego, California, and the staff report supporting the findings of the Regional Board.

If you have any questions regarding this letter, or Order R9-2002-0083 please contact Mr. Barry Pulver of my staff at (858) 467-2733.

Respectfully,

John H. Robertus
Executive Officer
San Diego Regional Water Quality Control Board

Attachments

1. Order Number R9-2002-0083 Affirming the Directive for Technical Reports from The City of San Diego, AMEC Earth and Environmental, Inc., and Tri-County Drilling, Inc. Regarding the Discharge of Petroleum Hydrocarbon Wastes from the Ruptured Chevron Products Company Underground Fuel Pipeline Beneath Belt Street, San Diego, California.
2. Technical Analysis in the Matter of Responsibility for Cleanup of Petroleum Hydrocarbon Waste Discharged from the Chevron Products Company Underground Pipeline Beneath Belt Street in San Diego, California.
3. Interested Parties Mailing List

California Environmental Protection Agency

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our Web-site at <http://www.swrcb.ca.gov>.

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CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN DIEGO REGION

ORDER NO. R9-2002-0083

**AFFIRMING THE DIRECTIVE FOR
TECHNICAL REPORTS FROM THE CITY OF SAN DIEGO, AMEC EARTH AND
ENVIRONMENTAL, INC., AND TRI-COUNTY DRILLING, INC. REGARDING THE
DISCHARGE OF PETROLEUM HYDROCARBON WASTES FROM THE RUPTURED
CHEVRON PRODUCTS COMPANY UNDERGROUND FUEL PIPELINE BENEATH
BELT STREET, SAN DIEGO, CALIFORNIA**

The California Regional Water Quality Control Board, San Diego Region (hereinafter Regional Board) finds that:

1. On February 1, 2001, Tri-County Drilling, Inc. (Tri-County) ruptured an underground gasoline pipeline owned by Chevron Products Co. (Chevron) during the drilling of a soil boring which caused an immediate release of an estimated 400 to 2,730 gallons of unleaded gasoline into soil and groundwater. AMEC Earth and Environmental, Inc. (AMEC) directed Tri-County to drill the soil boring at a location designated by AMEC as part of a geotechnical investigation conducted along Belt Street by AMEC for the City of San Diego (City). Tri-County was a contractor to AMEC, the geotechnical consultant hired by the City to conduct the investigation. The City, AMEC, and Tri-County are collectively referred to as the "dischargers."
2. The discharge of petroleum hydrocarbon wastes from the ruptured pipeline is a potential threat to the water quality of San Diego Bay. Groundwater in this area flows towards San Diego Bay. Therefore, groundwater may transport the discharged petroleum hydrocarbon wastes into San Diego Bay. In addition, manmade conduits, such as storm drains, may act as preferential pathways for the migration of the discharged petroleum hydrocarbon wastes into San Diego Bay. Existing beneficial uses of San Diego Bay that may be affected if the discharged petroleum hydrocarbon wastes flow into San Diego Bay include:
 - Contact Water Recreation;
 - Commercial and Sport Fishing;
 - Marine Habitat;
 - Wildlife Habitat;
 - Rare, Threatened, or Endangered Species, and
 - Shellfish Harvesting.
3. On November 13, 2001, pursuant to Water Code section 13267, the Regional Board ordered the City, AMEC, and Tri-County to undertake an investigation of the discharge of petroleum hydrocarbon wastes from the ruptured product pipeline. The order required

the dischargers to submit a preliminary site conceptual model, and workplan to conduct a soil and groundwater investigation to the Regional Board by January 25, 2002.

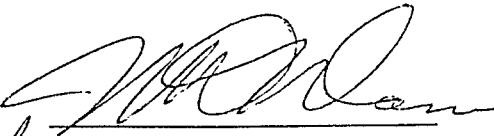
4. AMEC and the City requested that the Regional Board conduct a hearing to review the legal and factual basis for the November 13 letter.
5. On January 4, 2002, the Regional Board notified the City, AMEC, Tri-County, Chevron and other interested persons, of the opportunity to provide evidence, and argument regarding the following issues raised by AMEC and the City:
 - Did the City of San Diego cause or permit waste to be discharged into the waters of the State, or deposited where it is, or probably will be, discharged into the waters of the State, when the Chevron pipeline beneath Belt Street was ruptured on February 1, 2001?
 - Did AMEC Earth and Environmental Inc., cause or permit waste to be discharged into the waters of the State, or deposited where it is, or probably will be, discharged into the waters of the State, when the Chevron pipeline beneath Belt Street was ruptured on February 1, 2001?
 - Did Tri-County Drilling, Inc., cause or permit waste to be discharged into the waters of the State, or deposited the waste where it is, or probably will be, discharged into the waters of the State, when the Chevron pipeline beneath Belt Street was ruptured on February 1, 2001?
 - Did Chevron Products Company cause or permit waste to be discharged into waters of the State, or deposited where it is, or probably will be, discharged into the waters of the State, when the Chevron pipeline beneath Belt Street was ruptured on February 1, 2001?
 - Does the burden of providing the required reports bear a reasonable relationship to the need and benefits of the reports?
6. The City, AMEC, Tri-County, and Chevron submitted written testimony and evidence regarding the issues identified by the Regional Board. The testimony and evidence has been analyzed in the "Technical Analysis in the Matter of Responsibility for Cleanup of Petroleum Hydrocarbon Waste Discharged from a Chevron Products Company Underground Pipeline Beneath Belt Street in San Diego, California," dated April 9, 2002, which is incorporated herein by reference.
7. The City of San Diego is suspected of having discharged petroleum fuel waste within the San Diego region because the City selected an alignment for its Belt Street water line

replacement project in an area known to the City to contain Chevron's underground pipeline and because the pipeline was broken/ruptured as a direct result of the City's implementation of its water line replacement project.

8. AMEC Earth and Environmental Inc. is suspected of having discharged petroleum fuel waste within the San Diego region because AMEC selected the boring location within the water line replacement project alignment and failed to exercise reasonable care as a professional geotechnical consultant to identify and locate unregistered underground utilities.
9. Tri-County Drilling, Inc. is suspected of having discharged petroleum fuel waste within the San Diego region because it drilled into the pipeline causing it to rupture.
10. While Chevron Products Company failed to comply with the regional notification center system requirements pursuant to Government Code section 4216.7, such failure was not the sole and proximate cause of the rupture or discharge because Chevron gave the City actual notice of the presence of Chevron's underground installations beneath Belt Street by providing maps of the underground pipeline to the City to assist the City in conducting a similar geotechnical investigation for a sewer replacement project beneath Belt Street.
11. The workplan for investigation and preliminary site conceptual model are necessary to ensure that the investigation will provide the information needed by the Regional Board to assess the threat of pollution associated with the discharge and to assist the Regional Board in overseeing the investigation. These documents are typically the initial step of any investigation, and are commonly prepared by environmental consulting firms such as AMEC. Costs for the Workplan and site conceptual model should not exceed \$7,000, which is reasonable in view of the potential for pollution and contamination associated with discharges of gasoline within 800 feet of San Diego Bay.
12. The burden of providing the required reports bears a reasonable relationship to the need for the reports and the benefits of the reports because the costs are relatively minor and are justified by the need to assess whether or not the discharge poses a risk to the beneficial uses of San Diego Bay, human health, and the environment.

Order No. R9-2002-0083

IT IS HEREBY ORDERED, that pursuant to section 13267 of the Water Code, the dischargers shall prepare and submit a preliminary site conceptual model and workplan for a soil and groundwater investigation as directed by the Regional Board in its letter dated November 13, 2001.


for John H. Robertus

Executive Officer

California Regional Water Quality Control Board
San Diego Region

April 9, 2002